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As the U.S. economy improves, higher demand for financial executives is driving a steady rise in salary and benefits, according to the findings of an annual survey issued by Grant Thornton LLP and Financial Executives Research Foundation (FERF).

In 2015, the average salary increase for financial executives at private companies is 4.4 percent, an increase from 3.3 percent in 2014. On the public company side, the average salary increase is 3.9 percent in 2015, an increase from 3.4 percent a year ago. These numbers are higher than overall salary increases in the marketplace, which have held steady since last year, trending at 3 percent.

In an effort to attract and retain talent, some companies are offering sign-on and retention bonuses. Of those companies offering a sign-on bonus, 27 percent reported they are targeting bonuses specifically for retention purposes. The most common offering was a cash bonus (52 percent) as opposed to equity.

"The need to attract and retain strong finance and accounting executives has never been more critical as the recovering economy brings new opportunities for the effective management of financial assets to improve operations, manage growth and successfully position organizations for merger and acquisition opportunities," said Ken Cameron, a director in Grant Thornton's Compensation & Benefits Consulting practice. "Facing heightened competition for top financial talent, organizations must ensure that all components of their compensation and benefits packages are designed effectively."

“Organizations are shifting their focus toward growth, and there is a renewed

- More than three-fourths (84 percent) of both public and private company respondents’ organizations have a defined contribution plan and 22 percent have a defined benefit plan — of those that do, about half (48 percent) restrict new entrants or have frozen benefit accruals;
- More than three-fourths (86 percent) of public company respondents receive some form of stock-based incentive compensation, compared to just more than one-third (35 percent) of private company respondents; and
- Of the 77 percent of executives who reported receiving perquisites, the most popular was a cell phone, cell phone allowance or reimbursement (81 percent), followed by a company car or car allowance (19 percent), paid parking (17 percent) and health/fitness club dues (12 percent).

The data for the Financial Executive Compensation Survey was compiled from responses received from a 35-question survey sent via email to active members of Financial Executives International (FEI) and Grant Thornton clients between November 2014 and February 2015, with 346 total responses. An active or executive FEI member is defined as an individual currently holding a position as a financial executive at an organization. More than half (51 percent) of respondents hold the title of chief financial officer. Sixty-nine percent of respondents are from private companies and 23 percent are from public companies.

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